

PORT OF TACOMA COMMISSION
ACTION ITEM MEMO



Item No: 5C
Meeting Date: 4/11/2023

DATE: April 11,2023
TO: Port of Tacoma Commission
FROM: Eric Johnson, Executive Director
Sponsor: Alisa Praskovich, Chief, Special Projects & Commission Relations
Project Manager: Shannon Bartlett, Real Estate Property Manager
SUBJECT: SAFE Boats International L.L.C. Lease Assignment through a conversion to an Employee Stock Ownership Plan (“ESOP”) – 401 E Alexander Avenue, Tacoma, WA

A. ACTION REQUESTED

Request Commission ratification of the Executive Director’s approval of a lease assignment from SAFE Boats International L.L.C. resulting from a conversion of the entity to an Employee Stock Ownership Plan (“ESOP”), for property located at 401 E Alexander Avenue, Tacoma, WA.

B. BACKGROUND

- SAFE Boats International L.L.C. currently has a lease located at 401 E. Alexander Ave. which includes approximately 3,524 square feet of office in building 326, 44,775 square feet of warehouse in building 532, 0.62 acres of parking, and 1.52 acres of yard located at 401 E Alexander Avenue, Tacoma, WA.
- SAFE Boats International L.L.C. is undergoing a change in ownership of a majority of the beneficial interest through a conversion to an Employee Stock Conversion Plan (“ESOP”), which constitutes as an assignment requiring the Port’s consent under the terms of the Lease.
- The Commission approved SAFE Boats International L.L.C.’s lease on June 17, 2021.
- In order to meet the tenant’s deadline for proof of assignment, the Executive Director executed the Consent to Assignment on March 27, 2023, expressly subject to Commission ratification at the April 11, 2023 meeting.

C. TIMEFRAME/PROJECT SCHEDULE

The Lease Assignment is expressly subject to ratification by the Port of Tacoma Commission at its April 11, 2023 meeting.

D. FINANCIAL SUMMARY

Current revenue is \$29,000.94 per month and \$348,011.48 per year.

E. ECONOMIC INVESTMENT / JOB CREATION

Job Retention – Supports employees of SAFE Boats International L.L.C.

F. ENVIRONMENTAL IMPACTS / REVIEW

There is no environmental impact.

G. NEXT STEPS

Upon Commission approval, the Executive Director will provide SAFE Boats with confirmation of the Commission's ratification of the previously executed consent to Lease Assignment.